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July 6, 2001

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

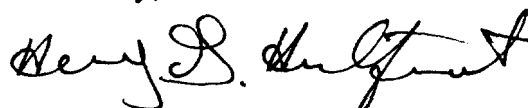
Ms. Magalie Roman Salas
Secretary
Federal Communications Commission
445 12th Street, S.W.
Washington, D.C. 20554

**Re: Implementation of the Local Competition Provisions of the
Telecommunications Act of 1996, CC Docket No. 96-98; Joint Petition of
BellSouth, SBC, and Verizon, CC Docket No. 96-98**

Dear Ms. Salas:

On Tuesday, July 3, 2001, Alan Buzacott and I of WorldCom met with Julie Veach, Jeremy Miller, Daniel Schiman, and James Eisner of the Common Carrier, Bureau to discuss the Commission's continued restrictions on the availability of EELs and the petition of BellSouth, SBC, and Verizon to eliminate all unbundled loops and transport links of DS1 or greater capacity. As the attached presentation demonstrates, there is no basis in fact, law, or policy on which the Commission could grant the petition of BellSouth, SBC, and Verizon. The Commission should instead dismiss their petition and eliminate all restrictions on the use and commingling of EELs.

Sincerely,



Cc: Julie Veach
Jeremy Miller
Daniel Schiman
James Eisner

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EELs/High-Cap UNEs

July 3, 2001

High-Cap Petition is Meritless

- Contrary to three-year review rule
- CLEC networks are far from ubiquitous
 - 3-5% of commercial office buildings
 - 10% (or less) of RBOC COs
 - “on-net” buildings & COs represent only a fraction of demand, not “vast majority”
 - large pricing differentials persist
 - Fact Report “evidence” is incorrect

High Cap Petition (cont'd)

- Construction is not “quick” or “cost-effective”
 - record confirms UNE Remand Order conclusions
 - no evidence that self-provisioning is viable as a general matter
 - CLECs have been able to extend their networks to only the highest-density buildings & ILEC COs

Crandall Declaration

- Irrelevant
 - Impairment standard looks at cost of self-provisioning (compared to TELRIC), not profitability
- Flawed
 - skews results by analyzing only the city center
 - CSMG model systematically understates costs
 - CLEC network routes are incorrect
 - customer locations, revenues are unverified

EELs

- The Commission should lift the use restriction
 - Service-by-service impairment analyses are unlawful
 - Section 251(d)(2) does not permit a separate impairment analysis for a combination of elements
 - Even if a special access-specific analysis were permissible, record shows that CLECs are impaired
- In the interim, the Commission should act on WorldCom's waiver petition